BUDGET 2005

Ministry of
Finance and
Associated Entities

SERVICE PLAN
2005/06 – 2007/08

BRITISH
COLUMBIA

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Message from the Minister and Accountability Statement

I am pleased to present the 2005/06 – 2007/08 Service Plan on behalf of the Ministry of Finance and Associated Entities. This plan is an important tool for guiding the ministry's decisions in support of government priorities.

The Ministry of Finance provides banking, accounting, financial and economic planning and reporting, risk and debt management, regulatory and capital project oversight and corporate registry services to a variety of clients including direct government, the broader public sector and private industry.

These roles are essential to creating a strong and vibrant economy that generates more jobs, more security, and a higher standard of living for British Columbians. A strong economy also creates more opportunities for government to make sustainable investments in priority areas such as health care, education and making communities safer.

I am pleased that since last year's Service Plan was published, our province has emerged as an economic leader and national economic forecasters expect strong growth to continue in the coming years. British Columbia is a leader in job creation, spurred by robust consumer and business confidence and rising investment.

The ministry will continue to support British Columbia's economy through balanced budgets, prudent debt management, competitive tax policy, streamlined regulations and innovative service delivery.

Balanced budgets are a key component of our three-year fiscal plan. They underpin our commitment to sound fiscal management, which in turn allows us to make sustainable and long-term investments that make British Columbia the best place to live, work, and raise a family.

Last year, we fulfilled our commitment to introduce a balanced budget and over the past four years, the government has consistently achieved or improved upon its fiscal plan targets. That track record of achievement was noticed by Canadian and international investors alike.

Over the past year, three major credit rating agencies improved their ratings outlook for British Columbia, each citing the government's demonstrated ability to implement multi-year fiscal plans and achieve its targets. Late last year, Standard and Poor's increased British Columbia's credit rating, their first such upgrade in over 15 years.

As a result of sound fiscal management, our borrowing costs are among the lowest in Canada, which means we can spend less on debt interest and more on services for British Columbians.

Ultimately, it is the ministry staff who drive the quality and value of the services we provide. I would like to acknowledge the continuing professionalism, dedication and hard work of staff within my ministry in preparing and implementing this Service Plan.

I look forward to the challenge of achieving the specific goals outlined in this plan and the broader goal of an even brighter future for all British Columbians.

The 2005/06 – 2007/08 Ministry of Finance and Associated Entities Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 31, 2005 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Honourable Colin Hansen
Minister of Finance

January 31, 2005

Ministry of
Finance

SERVICE PLAN
2005/06 – 2007/08

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Ministry Overview and Core Business Areas

The Ministry of Finance plays a key role in establishing, implementing and reviewing government's economic, fiscal and taxation policies. The ministry provides a variety of functions and activities including banking, accounting, financial and economic planning and reporting, risk and debt management, capital project oversight, regulating the financial and real estate sectors, and serving as the registrar of corporate entities, personal property and manufactured homes.

Ministry clients include Treasury Board, Cabinet, Government Caucus Committees, ministries, agencies, boards, commissions, Crown corporations, businesses, investors and financial-sector agencies. Through its support of the government's Strategic Plan, the ministry also broadly serves the people of British Columbia.

The ministry has been structured into six core business areas each of which has specific responsibilities for the provision of programs and services.

1. **Financial and Economic Performance and Analysis**
   - Provides fiscal and tax policy analysis and advice that supports the achievement of balanced budgets, development and management of the fiscal plan, improves the province's competitiveness and sustains cost-effective public services. This area is led by Treasury Board Staff and is supported by approximately $6.5 million and 63 FTEs.

2. **Financial Governance, Accounting and Reporting**
   - Assures the accuracy and integrity of provincial public sector financial reporting and maintains a framework of best practices for financial and procurement management. This area is led by the Office of the Comptroller General and is supported by approximately $6.9 million and 117 FTEs.

3. **Treasury**
   - Provides British Columbians with the benefits of cost-effective cash and debt management and banking services, resulting in lower expenditures and improved online government services through electronic banking support. This area is led by Provincial Treasury Operations and resourced through a $1,000 Vote with the support of approximately 74 FTEs.

4. **Financial and Corporate Sector Services**
   - Ensures that the province's financial services sector is reliable, competitive and enjoys the confidence of British Columbians. Personal property and corporate registry services that meet the needs of the marketplace are also provided. This area is led by Financial Corporate Sector Policy, Financial Institutions Commission and Registries and is supported by approximately $1.3 million and 144 FTEs.

5. Risk Management

- Reduces accidental and business losses in the provincial public sector through the development of comprehensive risk management and self-insurance programs. This area is led by Risk Management Branch, which recovers all of its expenses from clients, and is supported by approximately 46 FTEs.

6. Executive and Support Services

- Provides strategic leadership and corporate support services that contributes to the success of all Ministry of Finance core business areas as well as other supported entities including the Ministry of Management Services, BC Public Service Agency and the Office of the Premier. This area is led by the Minister's Office, Deputy Minister's Office and Corporate and Ministry Support Services and is supported by approximately $14.4 million and 127 FTEs.

To learn more about the ministry and its services including performance measure methodologies, visit the web supplement to this Service Plan at http://www.fin.gov.bc.ca/serviceplan/2005-06/methodologies.htm.

Resource Summary

Core Business Areas	2004/05 Restated[1]	2005/06	2006/07	2007/08
Operating Expense ($000)				
Financial and Economic Performance and Analysis	5,741	6,512	6,338	6,338
Financial Governance, Accounting and Reporting	6,071	6,956	6,881	6,481
Treasury	1	1	1	1
Financial and Corporate Sector Services	4,205	1,353	1,533	1,733
Executive and Support Services	13,034	14,437	14,332	14,532
Total	**29,052**	**29,259**	**29,085**	**29,085**
Operating Expense Other Appropriations ($000)				
Risk Management				
Operating	50,442	43,501	48,195	48,195
Recoveries	(50,442)	(43,501)	(48,195)	(48,195)
Total	**0**	**0**	**0**	**0**
Full-time Equivalents (Direct FTEs)				
Financial and Economic Performance and Analysis	63	63	63	63
Financial Governance, Accounting and Reporting	117	117	117	117
Treasury	74	74	74	74
Financial and Corporate Sector Services	148	144	144	144
Executive and Support Services	109	127	127	127
Total	**511**	**525**	**525**	**525**
Full-time Equivalents Other Appropriations (Direct FTEs)				
Risk Management	43	46	46	46
Total	**43**	**46**	**46**	**46**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the *2005/06 Estimates*. Schedule A of the *2005/06 Estimates*, presents a detailed reconciliation.

Core Business Areas	2004/05 Restated[1]	2005/06	2006/07	2007/08
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Financial and Economic Performance and Analysis	45	45	40	40
Financial Governance, Accounting and Reporting	215	215	193	193
Treasury	2,032	1,631	561	1,830
Financial and Corporate Sector Services	2,301	2,604	2,452	2,677
Executive and Support Services	830	1,036	925	925
Total	**5,423**	**5,531**	**4,171**	**5,665**
Capital Expenditures Other Appropriations (Consolidated Revenue Fund) ($000)				
Risk Management	725	20	1,130	240
Total	**725**	**20**	**1,130**	**240**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the *2005/06 Estimates*. Schedule A of the *2005/06 Estimates*, presents a detailed reconciliation.

Vision, Mission and Values

Vision

To be leaders in sound fiscal and economic management and governance.

Mission

To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.

Values

In pursuit of our vision and mission, members of the ministry will act in accordance with the following values:

Accountability	*To enhance efficiency, effectiveness and value in public service.*
Integrity	*To conduct ourselves in an ethical, honest, consistent and professional manner.*
Responsibility	*To deliver affordable client-centred service and stewardship on behalf of citizens.*
Respect	*To treat those we serve, and each other, with courtesy, fairness, dignity and trust.*
Innovation	*To foster creativity and performance in the delivery of quality services.*

Goals, Objectives, Strategies and Results

Government Strategic Goals

A strong and vibrant provincial economy.

Ministry Mission

To provide sustainable fiscal policies and regulatory frameworks that support a strong and vibrant provincial economy.

Ministry Goals	Ministry Objectives	Performance Measures/Indicators
1. Maintain a balanced budget annually.	1. Effective management of government's fiscal plan.	Achieve annual targets for provincial budget. Debt to GDP ratio. Provincial credit rating.
2. A tax and regulatory climate that supports a strong and vibrant economy.	1. A fair and competitive tax environment.	Provincial ranking of personal income tax rates for the bottom two tax brackets. Provincial ranking of the top personal marginal tax rate.
	2. Efficient and effective financial and corporate regulatory frameworks and services that protect the public interest.	Number of regulatory requirements. Per cent growth in business registrations. Per cent of electronic incorporations and registrations.
3. Effective financial and resource management and reporting.	1. Effective risk-based cash and debt management.	Debt services costs.
	2. Enhance risk-based management of government's resources.	Annual self-insurance savings. Risk-based savings. Risk Maturity Rating.
	3. Transparent and accountable financial and procurement policies and practices.	Stakeholder satisfaction with financial and procurement policy frameworks. Per cent responses to ministerial correspondence completed within two weeks.
	4. Meet statutory reporting requirements and comply with GAAP in all material respects.	Full implementation of GAAP. Public Accounts delivery date.
4. A leader in innovative business and people practices.	1. Performance-focused workforce.	Per cent of staff with a formal Performance Review.
	2. Learning and innovative organization.	Per cent of staff who agree they have adequate opportunities to develop their skills.

Goal 1: *Maintain a balanced budget annually.*

According to the *Balanced Budget and Ministerial Accountability Act*, all provincial budgets must be balanced. This requirement supports sound fiscal management and is a cornerstone in maintaining confidence in British Columbia's economy. A balanced budget allows for sustainable investments in education, patient care and other priority services and signals provincially, nationally and internationally that British Columbia has its fiscal house in order. Fiscal responsibility today, also means that the cost of current public services will not be passed on to future generations.

Core Business Area: *Financial and Economic Performance.*

Objective 1: *Effective management of government's fiscal plan.*

Development and maintenance of a prudent and resilient fiscal plan is critical to government's ability to balance the provincial budget annually. The ministry plays a critical role in overseeing the fiscal plan and works closely with ministry and other public sector partners to ensure that government's annual and three-year revenue and expenditure targets are met.

Key strategies include: full integration of Crown corporations and the schools, universities, colleges and hospitals (SUCH) sector into the fiscal planning process; and continual update of government's three year fiscal plan including monitoring and corrective action as required.

Performance Measures:

Budget targets: Government's ability to balance the budget and adhere to its fiscal plan is measured by a comparison of actual spending and revenue (*Public Accounts*) against budgeted spending and revenue targets (*Estimates*) at the ministry and government levels.

Debt to GDP ratio: Maintaining a relatively low taxpayer-supported Debt-to-GDP ratio signifies a healthy balance sheet and effectively means affordable debt levels. Rating agencies rely on this balance-sheet measure as one among a number of important credit rating considerations.

Provincial credit rating: The interest rate paid by the province when it borrows in the domestic and international capital markets is influenced by the credit ratings supplied by third party agencies. In the case of the province, rating agencies evaluate debt as a percentage of GDP, and the significance of interest owing as a percentage of gross receipts. Credit ratings are ranked in descending alphabetical order from A to C — highest to lowest (Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C). The Aa rating is provided to those public and private sector organizations that offer excellent financial security and are generally considered high-grade entities.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Achieve annual targets for provincial budget	Balanced Budget*	Balanced Budget	Balanced Budget	Balanced Budget
Debt to GDP ratio (Provincial ranking)**	2nd Lowest	In the lowest 3	In the lowest 3	In the lowest 3
Provincial credit rating**	Aa2***	Aa2	Aa2	Aa2

* Final result to be confirmed upon release of the *Public Accounts*.

** Moody's Investor Service (Credit Rating Agency).

*** Equivalent to AA.

Goal 2: *A tax and regulatory climate that supports a strong and vibrant economy.*

The Ministry of Finance plays an essential role in the creation and maintenance of a tax and regulatory climate that supports economic development and job growth. Since 2001, the ministry has delivered a series of tax reductions targeted to individuals and businesses. These initiatives include a 25 per cent reduction in personal income taxes ensuring individuals in the bottom two-tax brackets now have the lowest personal income tax rates in the country. The province has also introduced an 18 per cent reduction in the general corporate income tax rate, eliminated the capital tax for general corporations and provided an exemption from provincial sales tax for production machinery and equipment. Other more targeted initiatives include property tax relief for small hydroelectric projects and the province's major port operators, new incentives for digital animation and visual effects and an increase in the threshold for the small business tax rate. Most recently the government was able to return to a seven per cent provincial sales tax rate reversing an earlier 0.5 per cent increase that was necessary to pay for an increase in health care professional's compensation. As a result of these steps, the province's businesses can now rely on a tax environment that allows them to compete and succeed on the international stage while creating jobs at home.

The ministry will continue to reduce unnecessary regulation and red tape in the province to improve the effectiveness of regulatory frameworks and strengthen consumer confidence. Other initiatives include an expansion of e-government that will improve service, expand accessibility and reduce cost.

Core Business Area: *Financial and Economic Performance.*

Objective 1: *A fair and competitive tax environment.*

The province's ability to develop a strong and vibrant economy is dependent upon having a tax environment that is both nationally and internationally competitive. Jurisdictions with competitive tax regimes and regulatory frameworks are successful in attracting and retaining

personal and business investment. Taking advantage of these opportunities enhances economic development and increases the revenues available to support critical government services like health care and education. In addition, a tax system that is perceived to be fair increases the confidence of British Columbians in their government.

Key strategies include ongoing review of the province's tax system in comparison to other jurisdictions and analysis of potential reforms to maintain and improve competitiveness.

Performance Measures:

Personal income tax (bottom two brackets): Government has cut the base personal income tax rate to the lowest rate of any province in Canada for the bottom two tax brackets. Keeping these tax rates low is consistent with the objective of maintaining a fair and competitive tax system that encourages investment and innovation.

Personal income tax (top bracket): Comparison of provincial top marginal personal income tax rates is a key component in the decision-making processes of investors, in choosing where to invest, and firms in choosing where to locate.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Provincial ranking of personal income tax rates for the bottom two tax brackets.	Lowest	Lowest	Lowest	Lowest
Provincial ranking of the top personal marginal tax rate.	2nd Lowest	In the Lowest 3	In the Lowest 3	In the Lowest 3

Objective 2: *Efficient and effective financial and corporate regulatory frameworks and services that protect the public interest.*

Core Business Area: *Financial and Corporate Sector Services and Financial and Economic Performance and Analysis.*

An important mechanism to promote investment and innovation in the province is the creation of an efficient and effective regulatory and policy framework. Unnecessary regulatory requirements increase the cost of doing business in the province resulting in wasted time and effort for both individuals and businesses. Conversely, streamlined legislative and policy frameworks supported by the electronic delivery of services can achieve the same outcomes while acting as a driver for further business development and investment and continuing to foster consumer confidence.

Key strategies include implementing the new legislative frameworks for streamlined financial and corporate sector regulation, updating the legislative and policy frameworks to reduce regulatory requirements and expansion of electronic service delivery initiatives.

Performance Measure:

Number of regulatory requirements: An important indicator of the overall regulatory burden on business is the number of regulatory requirements. Reducing red tape by eliminating unnecessary regulations improves the competitiveness of British Columbia's business environment and contributes to its economic growth.

Annual growth in business registrations: Increases in the number of businesses operating in the province is an indicator of the government's success in creating a tax and regulatory climate that stimulates economic growth.

Company incorporations and registrations filed electronically: The transfer of paper-based company incorporations and registrations to electronic self-service over the Internet improves customer service at reduced costs. Registering parties are able to complete their transactions when they require them, pay for the service, and obtain confirmation all in real time.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Number of regulatory requirements (2004/05 actual is a 39 per cent reduction from 2001/02 baseline).	25,423	25,423	25,423	25,423
Per cent annual growth in business registrations.	3% (52,849)	5% (55,491)	5% (58,266)	5% (61,179)
Percentage of company incorporations and registrations filed electronically.	93%	95%	98%	98%

Goal 3: *Effective financial and resource management and reporting.*

The Ministry of Finance is responsible for government's overall financial and risk management framework. This involves the establishment of appropriate legislation, policies and procedures and reporting at a corporate level to ensure the province's resources and obligations are appropriately managed in support of effective service delivery. This framework reinforces individual and corporate accountabilities for outcomes, maintains standards for stewardship of resources, management of liabilities and risk, and the collection and disbursement of public funds.

Key activities include financial, procurement and accounting policy development, internal audit and advisory services, risk management, and compliance monitoring.

Objective 1: *Effective risk-based cash and debt management.*

Core Business Area: *Treasury.*

In 2004/05, government managed cash flows of approximately $100 billion. During the same year, debt service cost for the total provincial debt was $2.1 billion. Of this amount, $691 million relates to the Management of Public Funds and Debt vote (central government operating debt). Ongoing improvement in the management of these cash and debt activities offers significant opportunities to reduce costs and redirect government resources to priority services.

Key strategies include: comprehensive support for credit rating analysis and investor relations activities; development of models and systems to maximize investment returns on surplus cash to minimize borrowing costs and requirements; management of the provincial debt portfolio within risk policy parameters set by the Ministry of Finance Risk Committee; negotiation of banking services for government as a whole and utilization of technological advancements (e.g., e-banking services) to create financial and administrative efficiencies and savings within ministries.

Performance Measures:

Debt services costs: A relatively low ratio of taxpayer-supported debt service cost to taxpayer supported revenues or "interest bite" demonstrates fiscal prudence and an affordable debt burden. Rating agencies rely on this measure as one among a number of important credit rating considerations.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Debt services costs (Provincial ranking)*.	2nd Lowest	2nd Lowest	2nd Lowest	2nd Lowest

* Moody's Investor Service (Credit Rating Agency).

Objective 2: *Enhance risk-based management of government's resources.*

Core Business Area: *Financial Governance, Accounting and Reporting and Risk Management.*

Creation of risk-based frameworks that reinforce individual and corporate accountabilities provides opportunities to reduce unnecessary constraints, realize efficiencies and improve outcomes. Risk-based practices are adopted only if they can demonstrate consistency with government priorities and add value using an optimal mix of resources and funding.

Key strategies include expansion of government's self-insurance program to the broader public sector, assistance with implementation of Enterprise-wide Risk Management practices, risk-based audit planning and oversight of a comprehensive post-payment review system targeting high-risk transactions.

Performance Measures:

Annual savings from self-insurance: The Ministry of Finance's coordination of public sector self-insurance programs allows the provincial government to cost-effectively retain selected risks rather than transfer them at a premium to third parties. Self-insurance involves government assuming the role of a traditional insurer by investigating, defending and paying claims.

Post-payment monitoring and Internal Audit savings: The ministry's delivery of cross-government risk-based financial processing and independent management review services provide a basis for evaluating its adoption of best practices and savings.

Risk Management Maturity: The ministry is in the third year of an initiative to integrate Enterprise-wide Risk Management into its operational and decision-making activities. The risk maturity model is a standardized cross-government tool that explores the ministry's organizational philosophy and culture; risk management leadership and commitment; integration with other management practices and systems; risk management capabilities and reporting and control processes.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Annual savings from self-insurance (five year rolling average).	$45.1 Million	$43.2 Million	$43.2 Million	$49.4 Million
Potential average annual benefits realized from utilizing a risk-based approach for post-payment monitoring and Internal Audit and Advisory Services recommendations.	$5.7 Million	$5.7 Million	$5.7 Million	$5.7 Million
Ministry implementation of Enterprise-wide Risk Management (Risk Management Maturity Model Rating — 5 point scale).	3	3	4	4

Objective 3: *Transparent and accountable financial and procurement policies and practices.*

Core Business Area: *Financial Governance, Accounting and Reporting.*

Government is undergoing transition to a model that provides program managers with enhanced financial and procurement decision-making abilities. This shift provides managers with additional tools to succeed and is supported by an update of traditional public sector management frameworks. The ministry plays an important role in the development of these governance frameworks and works closely with other ministries to ensure appropriate clarification of roles, responsibilities and accountabilities.

Key strategies include a review of financial and procurement legislation, maintenance of a principles-based policy framework, input into the development of training resources as well as ongoing monitoring and reporting on ministries' compliance with the accountability frameworks.

Performance Measure:

Stakeholders' satisfaction with the policy framework: Ensuring that the policy framework provides sufficient guidance to managers while avoiding an overly prescriptive approach is essential. Accordingly, survey results from managers and other stakeholders provide information on the framework's effectiveness, the quality of its implementation and opportunities for improvement.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Stakeholders' satisfaction with the policy framework for financial and procurement management.	60%	65%	70%	75%

Performance Measure:

Percentage of responses to ministerial correspondence completed within two weeks: Achieving the ministry standard of completing minister's correspondence within a two-week period ensures correspondents receive timely and relevant information.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of responses to ministerial correspondence completed within two weeks.	25%	80%	80%	80%

Objective 4: *Meet statutory reporting requirements and comply with GAAP in all material respects.*

Core Business Area: *Financial Governance, Accounting and Reporting.*

The *Budget Transparency and Accountability Act* (BTAA) requires that all provincial budgets comply with Generally Accepted Accounting Principles (GAAP). Adherence to GAAP requires monitoring of evolving accounting standards, consistent financial practices across government and full transparency for the use of public funds. This transparency is critical for ensuring that British Columbians and the investment community have the information they need to make informed decisions and confidence in government's finances.

Key strategies include ongoing monitoring of, and adherence to, GAAP's evolving accounting standards, adoption of technology to improve the reporting processes and greater fiscal planning integration with the SUCH sector.

Performance Measures:

Full Implementation of GAAP: Implementation of GAAP meets a legislated requirement in the *Budget Transparency and Accountability Act*, and improves the accuracy, consistency and timeliness of the province's financial information.

Delivery date for annual *Public Accounts*: Timely release of financial reporting is critical for effective use of the information and helps instill public confidence in government's ability to manage its resources. The *Budget Transparency and Accountability Act* requires release of the province's financial statements (*Public Accounts*) by August 31st, following each March 31st, fiscal year end.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Full Implementation of GAAP.	Full	Full	Full	Full
Delivery date for annual Public Accounts.	June 29	June 30	June 30	June 30

Goal 4: *A leader in innovative business and people practices.*

The ministry recognizes its dependence upon the continued support and professionalism of our highly-skilled and knowledgeable workforce. Ultimately, it is our staff that drives the quality and value of the services we provide to our clients, stakeholders and the people of British Columbia. Over the coming years, the ministry will pursue additional opportunities to provide its employees with the support, recognition and opportunities required.

Core Business Area: *All.*

Objective 1: *Performance Focused Workforce.*

The ministry works closely with its staff throughout the year to provide them with information on strategic priorities and how their work contributes to the success of the organization overall. Staff have reaffirmed that this communication clarifies expected results, supports organizational improvement and provides greater job satisfaction.

Key strategies include regularly scheduled Community Conversations involving all members of the ministry, employee participation in ministry human resource planning initiatives, integration of planning processes and ongoing reviews of the linkages between the Service Plan and operational activities. The ministry is also working to develop personal Employee Performance and Development Plans (EPDP) tailored to the position and developmental interests of each employee.

Performance Measure:

Performance Review and Employee Performance and Development Plans: EPDPs provide an important linkage between the activities of individuals, their business unit and the ministry as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of staff with a formal Performance Review (e.g. EPDP) in the last year.	58%	100%	100%	100%

Objective 2: *Learning and Innovative Organization.*

Government's move to a model focused on flexibility, evidence-based risk taking, and accountability for results, requires the support of a knowledgeable and innovate workforce. Members of the ministry have embraced this shift and have fostered a culture characterized by performance and receptiveness to change. In order to build upon our past success, the ministry will actively encourage the development of new skills based on formal and non-traditional learning opportunities and mutual trust.

Key strategies include: identification of critical competencies and targeted skill sets; improved communication of, and access to, developmental opportunities (internship programs, career pathing, mentoring, rewards and recognition programs, development opportunities and critical skills training); and flexibility in accommodating interested staff.

Performance Measure:

Staff learning and development opportunities: The ministry is undertaking a comprehensive staff attraction and retention initiative. This initiative will ensure that the ministry has the necessary skill sets to support its activities in an increasingly complex environment. Providing staff with additional learning and development opportunities will position the ministry as an important professional development opportunity, benefit our employees and enhance the quality of our services.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of staff who agree they have adequate opportunities to develop their skills.	57%	80%	85%	90%

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The Ministry of Finance has completed several major legislative and regulatory reviews that reduced regulatory burden and decreased the associated regulatory requirement count by approximately 39 per cent in three years. The ministry's success was mainly attributable to implementation of a new *Business Corporations Act*, provided for electronic filing at the Personal Property Registry, eliminating unnecessary requirements under the *Financial Institutions Act* and *Credit Union Incorporation Act*, and developing a more effective framework for government's financial management policies and procedures.

The ministry is committed to maintaining a zero net increase in regulatory requirements over the next three years, and continuing to identify further regulatory reduction and regulatory reform opportunities. This commitment is evidenced by the implementation of the *Real Estate Services Act* and *Real Estate Development Marketing Act* on January 1, 2005, resulting in a further reduction of 1,500 regulatory requirements.

Over the next three years, all legislative initiatives will be monitored to ensure that the policies are effective and allow industry, the public, and government to operate in an improved environment of "smart regulation".

Overviews of Human Resource Plan and Information Resource Management Plan

Overviews of Human Resource Plan

An overview of the ministry's Human Resource Management Plan is available on the ministry website at: http://www.fin.gov.bc.ca/serviceplan/2005-06/HRMP.htm.

Information Resource Management Plan

An overview of the ministry's Information Resource Management Plan is available on the ministry website at: http://www.fin.gov.bc.ca/serviceplan/2005-06/IRMP.htm.

Public Sector Employers' Council

Fosters an efficient and effective workforce through the coordination of public sector labour relations policies and practices. This area is led by the Public Sector Employers' Council and affiliated Employers Associations and is supported by approximately $14.6 million and 13 FTEs.

PSEC is also active in the area of public sector pension plan management. PSEC represents Government in its role as a "partner" under the joint trust arrangements established for the Public Service Pension Plan, the Municipal Pension Plan, the Teachers' Pension Plan and the College Pension Plan. PSEC monitors and manages Government risk exposure with respect to the public sector pension plans, and provides pension policy advice to Government and to public sector employees.

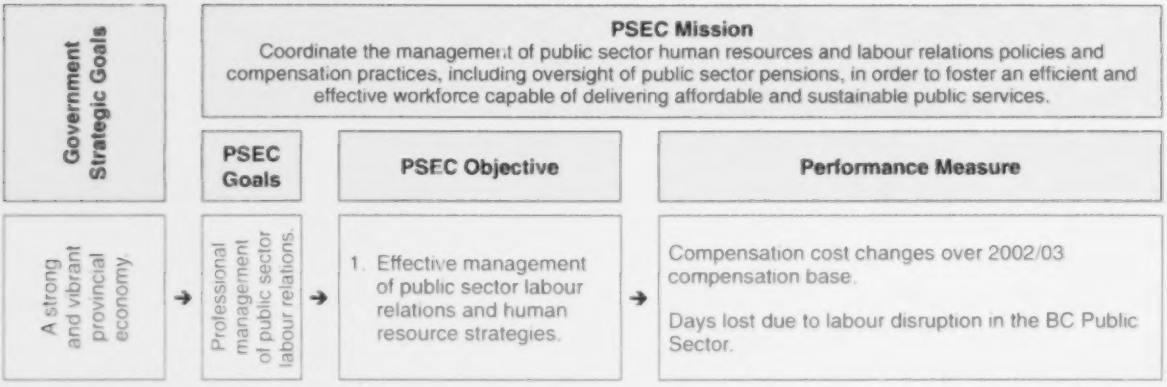
Resource Summary

Core Business Areas	2004/05 Restated[1]	2005/06	2006/07	2007/08
Operating Expense ($000)				
Public Sector Employers Council	14,596	14,596	14,596	14,596
Total	**14,596**	**14,596**	**14,596**	**14,596**
Full-time Equivalents (Direct FTEs)				
Public Sector Employers Council	13	13	13	13
Total	**13**	**13**	**13**	**13**
Capital Expenditures (Consolidated Revenue Fund) ($000)				
Public Sector Employers Council	98	3	3	3
Total	**98**	**3**	**3**	**3**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the *2005/06 Estimates*. Schedule A of the *2005/06 Estimates*, presents a detailed reconciliation.

Goals, Objectives, Strategies and Results

The figure below illustrates how Public Sector Employers' Council's goals and objectives are aligned with, and contribute to, the success of government's strategic plan goals.


Government Strategic Goals
PSEC Mission
Coordinate the management of public sector human resources and labour relations policies and compensation practices, including oversight of public sector pensions, in order to foster an efficient and effective workforce capable of delivering affordable and sustainable public services.
PSEC Goals
PSEC Objective
Performance Measure
A strong and vibrant provincial economy
Professional management of public sector labour relations.
1. Effective management of public sector labour relations and human resource strategies.
Compensation cost changes over 2002/03 compensation base.
Days lost due to labour disruption in the BC Public Sector.

Goal: *Effective management of public sector labour relations and human resource strategies.*

Core Business Area: *Public Sector Employers' Council.*

Compensation costs comprise a significant portion of the provincial budget. Accordingly, effective management of the province's fiscal plan requires the establishment of appropriate and sustainable compensation levels. Labour market analysis and frameworks are also critical for attracting and retaining highly skilled workers critical to the delivery of many public services.

Key strategies include maintenance of an executive compensation and bargaining mandate framework that incorporates fiscal goals, policy, program decisions, and labour market considerations. A long-term strategy for effective management of labour relations that addresses shortages of critical skilled occupations in the public sector is also underway.

Performance Measures:

Compensation cost changes: Compensation related costs in the public sector are a significant component of the provincial budget. As a result, marginal changes in compensation costs have significant fiscal impacts requiring accurate and timely monitoring.

Days lost due to labour disruption in the BC Public Sector: The severity of labour disruptions from strikes or lockouts is a measure of the stability of the public sector labour relations climate.

Performance Measures	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Compensation cost changes over 2002/03 compensation base.	$16.09 Billion*	0	TBD	TBD
Days lost due to labour disruption in the BC Public Sector.	TBD**	+/- 10% of Canadian Average days lost.	+/- 10% of Canadian Average days lost.	+/- 10% of Canadian Average days lost.

* Actual figures for 2004/05 are finalized at the end of the fiscal year.

** Actual figures for 2004/05 are based on Government of Canada data released in June of 2005.

Public Affairs Bureau

The Public Affairs Bureau leads and coordinates communications with internal and external stakeholders, and ensures that information about government programs and services is accessible to British Columbians.

Clients include the people of British Columbia, members of the media, the Premier's Office, members of Cabinet, and ministry program staff.

Supported by 199 FTEs and approximately $34.2 million, the Bureau has three core business areas each of which has specific responsibilities for the provision of programs and services.

1. **Communications Services**
   - Provides direction, advice and staff to support the communications needs of ministries. Teams of communications professionals are assigned to, and co-located with, each ministry. Services include provision of fact-based information, communications planning, media relations, news releases, speech writing, on-site support for ministry events, and developing online applications in support of new initiatives. This area is supported by approximately 159 FTEs.

2. **Communications Support Services**
   - Provides a wide range of support services to communications staff assigned to ministries. Services provided include logistical support, writing and graphic design services, event management, online clipping service, and technical support to the Press Theatre in the Legislature. This area is supported by approximately 24 FTEs.

3. **Operations and Human Resources**
   - Provides a full range of human resource services to facilitate the recruitment, retention, and development of Public Affairs Bureau staff and provides a full range of corporate support services including corporate planning, budget management, financial reporting, contract administration, accounts payable, information systems planning and administration, procurement services, facilities planning, and records management. This area is supported by approximately 16 FTEs.

Resource Summary

Core Business Areas	2004/05 Restated[1]	2005/06	2006/07	2007/08
Operating Expense ($000)				
Public Affairs Bureau	32,204	34,204	34,204	34,204
Total	**32,204**	**34,204**	**34,204**	**34,204**
Full-time Equivalents (Direct FTEs)				
Public Affairs Bureau	199	199	199	199
Total	**199**	**199**	**199**	**199**
Capital Expenditures (Consolidated Revenue Fund) ($000)				
Public Affairs Bureau	485	485	436	436
Total	**485**	**485**	**436**	**436**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the *2005/06 Estimates*. Schedule A of the *2005/06 Estimates*, presents a detailed reconciliation.

Vision, Mission and Values

Vision

British Columbians are informed of government policies and programs and form opinions based on fact.

Mission

To provide a framework that supports communication of government policies and programs benefiting all British Columbians.

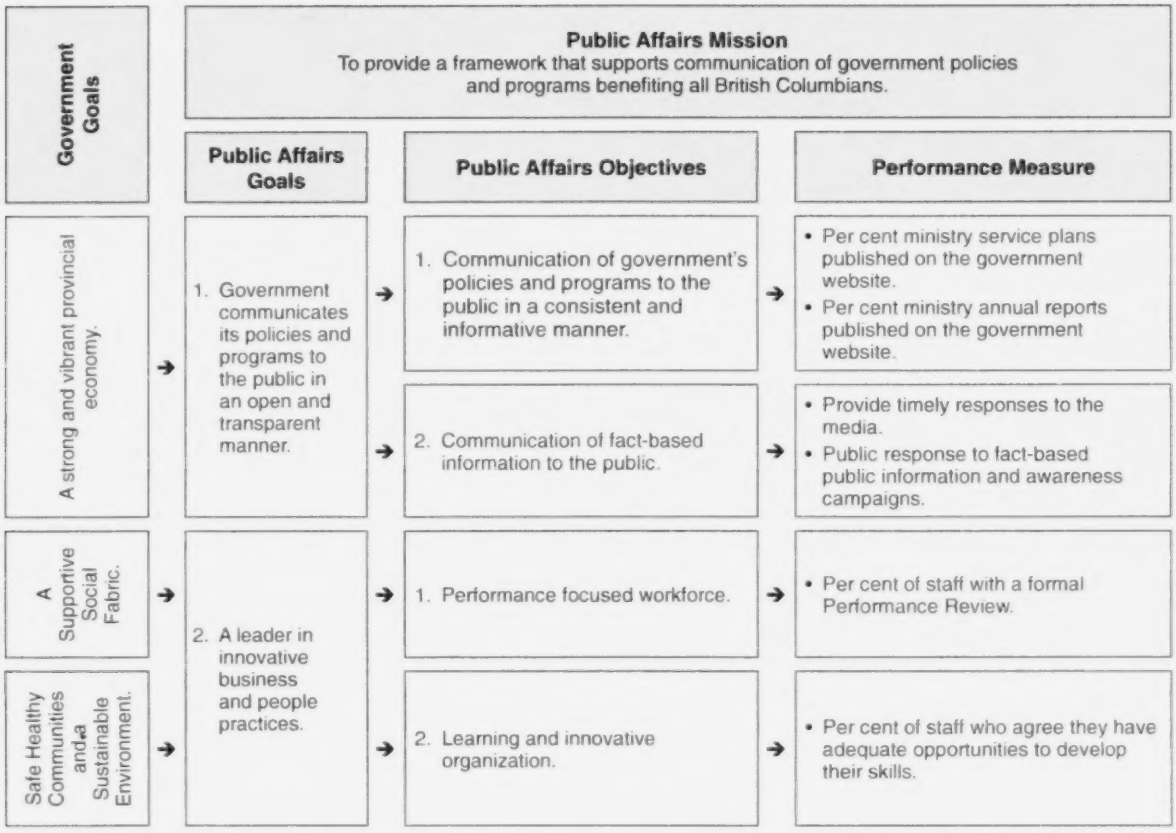
Values

In pursuit of our vision and mission, members of the ministry will act in accordance with the following values:

Accountability	*To enhance efficiency, effectiveness and value in public service.*
Integrity	*To conduct ourselves in an ethical, honest, consistent and professional manner.*
Responsibility	*To deliver affordable client-centred service and stewardship on behalf of citizens.*
Respect	*To treat those we serve, and each other, with courtesy, fairness, dignity and trust.*
Innovation	*To foster creativity and performance in the delivery of quality services.*

Goals, Objectives, Strategies and Results

The figure below illustrates how the Public Affairs Bureau's goals and objectives are aligned with, and contribute to, the success of government's strategic plan goals.


Government Goals
Public Affairs Mission
To provide a framework that supports communication of government policies and programs benefiting all British Columbians.
Public Affairs Goals
Public Affairs Objectives
Performance Measure
A strong and vibrant provincial economy.
A Supportive Social Fabric.
Safe Healthy Communities and a Sustainable Environment.
1. Government communicates its policies and programs to the public in an open and transparent manner.
2. A leader in innovative business and people practices.
1. Communication of government's policies and programs to the public in a consistent and informative manner.
2. Communication of fact-based information to the public.
1. Performance focused workforce.
2. Learning and innovative organization.
• Per cent ministry service plans published on the government website.
• Per cent ministry annual reports published on the government website.
• Provide timely responses to the media.
• Public response to fact-based public information and awareness campaigns.
• Per cent of staff with a formal Performance Review.
• Per cent of staff who agree they have adequate opportunities to develop their skills.

Goal 1: *Government communicates its policies and programs to the public in an open and transparent manner.*

Communication of government policies and programs will provide British Columbians with the information needed to understand government programs and policies and the challenges the government faces through a variety of sources including Members of the Legislative Assembly, media, public events and forums, public policy studies, fact-based public information and awareness initiatives as well as a variety of communications support materials.

Core Business Areas: ***Communications and Communications Support Services.***

Objective 1: *Communication of government's policies and programs to the public in a consistent and informative manner.*

Ensuring all British Columbians have access to or receive consistent information regarding government's policies and programs is essential to informing British Columbians of government planning decisions and accomplishments.

Performance Measure:

Government's ability to communicate policies and programs to the public in a consistent and informative manner can be measured by the percentage of ministry service plans and annual reports posted to the government website.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Per cent ministry service plans posted to the government website.	100%	100%	100%	100%
Per cent ministry annual reports posted to the government website.	100%	100%	100%	100%

Objective 2: *Communication of fact-based information to the public.*

Ensuring British Columbians have access to or receive fact-based information regarding government policies and programs is essential to allowing British Columbians to form opinions based on fact and allows for informed public debate on decisions taken.

Performance Measure:

Government's ability to communicate fact-based information to the public can be measured by response times to media enquiries and public response to fact-based public information and awareness initiatives. Performance for individual initiatives is measured depending on the nature of the project. Performance may be measured by increased demand for services (for example, web services), requests for supporting materials, and increased consumer contact with ministry service outlets.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Provide timely responses to the media.	Media responses provided 24 hours per day, seven days per week.	Media responses provided 24 hours per day, seven days per week.	Media responses provided 24 hours per day, seven days per week.	Media responses provided 24 hours per day, seven days per week.

Goal 2: *A leader in innovative business and people practices.*

The Bureau recognizes its dependence upon the support and professionalism of a highly skilled and knowledgeable workforce. By attracting, retaining and developing staff, government will develop a team of qualified communications professionals dedicated to the delivery of top-notch communications services and a team of qualified, specialized staff to support them. Over the coming years, the Bureau will pursue additional opportunities to provide its employees with recognition, support and career opportunities.

Core Business Areas: *All areas.*

Objective 1: *Performance focused workforce.*

Performance Reviews and Employee Performance and Development Plans: EPDPs provide an important linkage between the activities of individuals, their business unit and the organization as a whole. Identifying performance expectations within EPDPs also supports greater accountability and improves communication between staff and supervisors.

Performance Measure:

Performance will be measured by identifying the percentage of staff with EPDPs in place commencing 2005/2006.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of staff with a formal Performance Review (e.g. EPDP) in the last year.	TBD	100%	100%	100%

Objective 2: *Learning and Innovative Organization.*

Government has moved to a model focused on flexibility, evidence-based risk taking and accountability for results. This shift requires a knowledgeable and innovative workforce. The Bureau will actively encourage the development of new skills based on formal and non-traditional learning opportunities.

Performance Measure:

Providing staff with additional learning opportunities will increase skill capacity within the Bureau, benefiting our employees and enhancing the quality of our services. Performance will be measured by surveying staff to determine the percentage of staff that agrees that learning and development opportunities are available.

Performance Measure	2004/05 Actual/Base	2005/06 Target	2006/07 Target	2007/08 Target
Percentage of staff who agree they have adequate opportunities to develop their skills.	TBD	80%	85%	90%